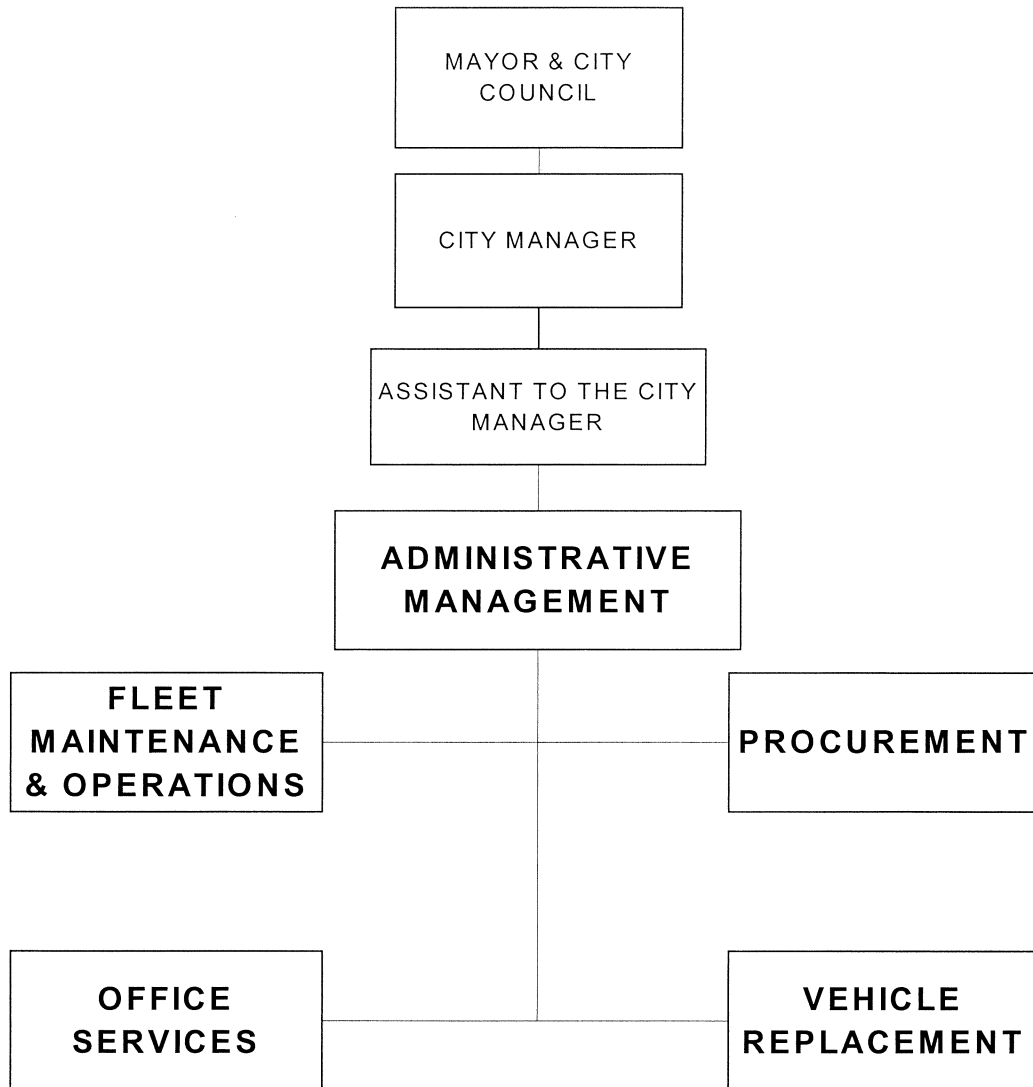


PURCHASING & GENERAL SERVICES



APPROPRIATIONS BY FUND	FTE	ADOPTED 2004-2005
Internal Service Fund	219.00	\$27,866,087
Equipment Replacement & Renewal Fund	0.00	22,324,506
Total Funding	219.00	\$50,190,593

PURCHASING & GENERAL SERVICES

PURCHASING & GENERAL SERVICES FUND

MISSION STATEMENT

The mission of the Purchasing & General Services Department is to provide high quality, low cost support services to City departments and outside governmental agencies to achieve maximum efficiency of services and accountability of costs in the areas of vehicle fleet maintenance, printing, office and mail services, and procurement of goods and services. The department will provide for the availability of funds for the acquisition and replacement of vehicles in the fleet on a scheduled basis.

PROGRAM INFORMATION

The Purchasing Department provides support services on a charge-back basis to other City Departments, as well as other governmental agencies. Responsibilities include the management of departmental fiscal operations; centralized procurement of services, supplies and equipment for all City activities; printing and reproduction services; mail services; central management of office supplies; acquisition, replacement, and maintenance of the City's vehicle and heavy equipment fleet; fuel operations and management of a centralized motor pool.

GOALS & OBJECTIVES

- ◆ Procure products and services at the best price, best value, and quality in a timely fashion with maximum opportunities for Small, Minority- and Women-owned businesses, in accordance with City Council policies.
- Decrease processing time for all bids.
- Increase opportunities for participation in the Small Business Economic Advisory Program and achieve departmental goals for awarding contracts to underutilized businesses.
- Pursue E-Commerce opportunities in the procurement process.
- Develop purchasing operating procedures for staff utilization.
- Measure supplier performance scorecards for annual contracts.
- Conduct customer service survey to validate annual contracts.
- Expand Purchasing Card Program to maximize participation.
- Coordinate citywide adherence to standards for purchasing and disposition of equipment.
- Maintain participation in the development of a citywide contracting initiative with Asset Management and the City Attorney's Office.
- Align current business processes with best practices to prepare for the implementation of ERM.
- ◆ Support City departments by providing printing, mail services and office supply management in an efficient, convenient and cost-effective manner.
- Continue and streamline the process of printing and office supply management.
- Measure overall satisfaction through a customer service survey.
- Seek greater efficiency in mail processing.
- Assess and implement a citywide document strategy in an effort to reduce cost, expand services and increase efficiency.
- Increase city, county and other agency participation in the consolidation of printing services by promoting cost savings and outstanding customer service.
- Continue employee ID program.

PURCHASING & GENERAL SERVICES

PURCHASING & GENERAL SERVICES FUND

GOALS & OBJECTIVES CONTINUED

- ◆ Support City departments by providing quality fleet services and customer satisfaction while addressing air quality and environmental issues.
 - Provide City Departments with vehicle maintenance and repairs at the lowest possible cost.
 - Measure overall satisfaction through a customer service survey.
 - Continue air quality inspection and maintenance programs.
 - Continue to explore the use of alternative fuels and vehicles in City operations.
 - Provide the use of a Shuttle Service from Motor Pool on an as needed basis.
 - Continue to enhance automated system capabilities to provide better control of inventory, vehicle fleet availability and management of mechanic hours and productivity.
 - Review Fleet Maintenance & Operations contracts to ensure vendor compliance and maximize service delivery from outside contractors.
 - Research, develop and review specifications on vehicles and equipment in order to utilize more efficient automotive technology to reduce maintenance repair costs.
 - Continue to provide positive incentives for mechanics that obtain Automotive Service Excellence (ASE) certifications and/or fleet maintenance training.
 - Monitor Parts and Fuel operations to maximize the integrity of physical inventories and minimize the cost of operations.
 - Coordinate vehicle acquisition and disposition.
 - Expand Motor Pool Operations.
 - Implement the integration of Faster (Fleet Maintenance Software) into ERM.
- ◆ Support, analyze, and monitor departmental operations.
 - Complete and centralize departmental billing with integrity and accountability.
 - Process Accounts Payable and Accounts Receivable in a timely fashion.
 - Encourage staff development through City-offered continuing education.
 - Continue to develop strategies for cost-saving measures.
 - Coordinate budget process.
 - Develop and implement contract compliance program.
 - Strategically implement vehicle replacement parameters.
 - Monitor vehicle replacement program for maximum utilization.
 - Coordinate vehicle acquisition and disposition.

PURCHASING & GENERAL SERVICES

PURCHASING & GENERAL SERVICES FUND

BALANCED SCORECARD

	Strategic Objectives	Performance Measures	Actual FY 03	Rev. Bud. FY 04	Estimated FY 04	Adopted FY 05
Customer	Improve Customer Service					
	Procure products and services at the best price, best value, and quality in a timely fashion	Avg. Time to Process Informal Bids (days)	15	14	14	14
		Avg. Time to Process Formal Bids (days)	55	55	54	54
	Support City Departments by providing printing, mail services, and office supply management in an efficient, convenient and cost-effective manner	% of Work Orders Completed in Less Than Eight Hours	36%	53%	63%	65%
		Quality of Service – % of Central Stores Customer Satisfaction Rated Good or Excellent ¹	90%	93%	88%	90%
Financial	Improve Environmental Efforts					
	Expand the use of alternative fuels & reduce usage of regular fuels within the City's fleet.	No. of Vehicles & Equipment Using Alternative Fuels & Hybrid Vehicles ²	241	396	260	260
	Continue the air quality inspection and maintenance programs	No. of "Five Gas Tests" Performed on City Vehicles ³	1,842	2,050	2,000	2,000
	Provide Accountability to the Public					
	Provide City Departments with vehicle maintenance at the lowest possible cost	Avg. Cost of Car/Light Truck Oil Change ⁴	\$16.30	\$16.45	\$16.77	\$17.00
		Avg. Maintenance Cost per Mile – Police Cars (ICMA measure) ⁵	\$0.21	\$0.16	\$0.19	\$0.19
	Increase opportunities for participation in the Small Business Economic Advisory Program	% of Total Dollars Awarded to AABEs	1.4%	3.0%	1.4%	3.0%
		% of Total Dollars Awarded to MBEs	11.5%	15.0%	13.5%	15.0%
		% of Total Dollars Awarded to WBEs	9.56%	10.00%	13.00%	10.00%

PURCHASING & GENERAL SERVICES

PURCHASING & GENERAL SERVICES FUND

BALANCED SCORECARD CONTINUED

	Strategic Objectives	Performance Measures	Actual FY 03	Rev. Bud. FY 04	Estimated FY 04	Adopted FY 05
Internal Processes	Innovative and Proactive City Government					
	Expand the Purchasing Card Program	No. of Transactions on Purchasing Card	10,483	8,000	9,280	9,300
		Total Dollars Spent by Using Purchasing Card (millions) ⁶	\$1.656	\$1.552	\$1.438	\$1.560
		Avg. Dollars per Transaction for Purchasing Card	\$158	\$194	\$155	\$167
	Support City departments by providing quality fleet service and customer satisfaction while addressing air quality and environmental issues.	Avg. Age of Fleet in Replacement Program-Police Vehicles (months)	21	22	20	20
		Avg. Age of Fleet in Replacement Program-Other Vehicles (months)	46	48	50	54
		Fleet Availability (ICMA Measure) ⁷	93%	93%	93%	93%
		% of City Fleet in Replacement Program ⁸	74.0%	75.0%	74.0%	74.6%
		Quality of Service - % Auto. Maintenance Rated Good or Excellent	N/A	88%	88%	88%
Employee Learning & Growth	Improve Information Technology Service Delivery					
	Continue to provide positive incentives for mechanics that obtain automotive service excellence (ASE) certifications and/or fleet maintenance training	No. of Mechanics with ASE Certifications	8	24	15	16
		No. of Master Mechanics (minimum of Seven ASE certifications required)	3	8	5	5

EXPLANATORY INFORMATION

- ¹ Customer service questionnaires completed March 2004.
- ² Actual numbers for FY 2003 and FY 2004 were lower due to supply of propane vehicles being discontinued by the market.
- ³ FIVE - gas testing started in January 2004. The five gas tests are testing for the following emissions: Oxygen, Carbon Dioxide, Carbon Monoxide, Hydrocarbon and NOX.
- ⁴ The City's average is still below the market cost, currently estimated at \$25.66. Over budget due to increase in fuel prices.
- ⁵ Calculation matches ICMA computation. Reported ICMA average for FY 2001 is \$0.21 per mile.
- ⁶ In FY 2003 the Purchasing Card projections anticipated much higher participation than achieved due to budget reductions. Additional departments are forecasted to participate in FY 2004. ERM is encouraging use of P Card with SAP.
- ⁷ Yearly average % of vehicles available for use, for all causes. ICMA average is 94% for cities over 500,000.
- ⁸ This is based on the total number of City Vehicles and equipment.

PURCHASING & GENERAL SERVICES

PURCHASING & GENERAL SERVICES FUND

PROGRAM CHANGES

♦ REDIRECTIONS/REDUCTIONS

\$42,189

REDUCE OVERTIME

During the budget development worksessions, in depth analysis of overtime policies and procedures citywide was conducted, which resulted in identified savings to department budgets through the implementation of more efficient hiring and workflow processes. As a result of this analysis, the Purchasing Department will be able to reduce their overtime budget by ten percent, or a total of \$3,700 in FY 2005

EFFICIENCIES IN CITY VEHICLES USE & MAINTENANCE

This **reduction** will result in net savings totaling \$33,787 to the Department. Savings will be achieved by eliminating underutilized vehicles from the City's fleet, extending the life of the current fleet from 72,000 miles to 84,000 miles, and increasing in-house fleet and equipment maintenance, repair, and paint & body services, currently provided by the private sector at a higher cost.

EMPLOYEE UNIFORM INITIATIVE

This **reduction** totaling \$4,702 will establish requirements related to the purchase and/or lease and issuance of uniforms to full-time permanent city employees. In an effort to reduce costs yet improve the quality and consistency of City issued uniforms, the Purchasing Department has developed a standard employee uniform initiative. Under this initiative, all employees within specified job classes will be provided with uniforms appropriate for their work environment.

♦ MANDATES

\$130,000

OIL – WATER SEPARATOR MANDATE

This **mandate** provides for the installation of an oil/water separator in order to handle and release products that may be released into a floor drain in an automotive shop environment. The oil/water separator will filter all products heavier than water and prevent flow into the sewer system. The total one-time costs of this mandate in FY 2005 will be \$30,000.

PURCHASING – ULTRA LOW SULFUR FUEL

This **mandate** provides for the use of ultra low sulfur fuel, which is a cleaner burning fuel, for the City's fleet. The City's diesel fuel contract will incorporate specification for the purchase of Texas Low Emission Diesel, which will be available by the end of this year for use by local contract participants. The total recurring costs of this mandate in FY 2005 will be \$100,000.

PURCHASING & GENERAL SERVICES

PURCHASING & GENERAL SERVICES FUND

◆ IMPROVEMENTS

\$307,185

WORKFORCE COMPENSATION ENHANCEMENT

This **improvement** totaling \$234,117 will provide a market adjustment and performance pay incentive for eligible employees included in the Purchasing and General Services Fund budget. The market adjustment, effective October, 2004, will be distributed to civilian full-time and part-time employees based on annual base salaries. Employees with \$40,000 annual base salary and below will receive a three percent salary increase. Employees with above \$40,000 annual base salary will receive a two percent salary increase.

In addition, all eligible civilian City employees with at least one year of service (who have been on the City's payroll as of October 1, 2003) will be eligible to receive performance pay in May 2005. The City's existing Employee Performance Management & Development System will serve as the foundation for effective distribution of the allocated performance pay.

CERTIFICATION PAY PILOT PROGRAM

This proposed **improvement** totaling \$73,068 will provide eligible employees with incentive pay for obtaining approved certifications associated with enhancing job performance. The program will focus on rewarding employees, primarily those in the skilled craft and service/maintenance areas. This program will also reimburse civilian employees for exam fees and certification fees paid in the obtainment of the certification.

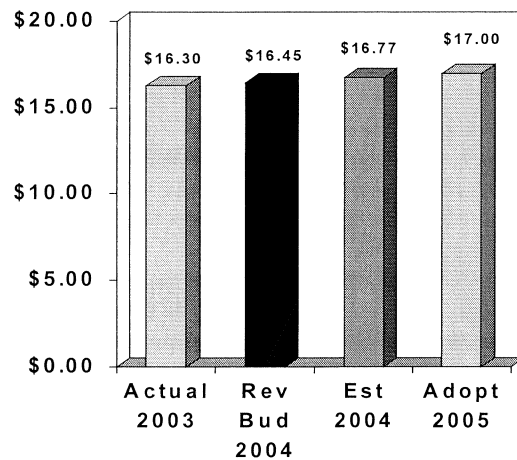
PURCHASING & GENERAL SERVICES FUND EXPENDITURES BY CHARACTER

	ACTUAL 2002-2003	REVISED BUDGET 2002-2003	ESTIMATED 2003-2004	ADOPTED 2004-2005
PERSONAL SERVICES	\$7,665,601	8,853,218	7,963,039	\$9,034,253
CONTRACTUAL SERVICES	1,456,959	1,474,970	1,360,067	1,874,943
COMMODITIES	161,475	212,989	194,444	264,063
OTHER EXPENDITURES	189,142	215,196	224,609	251,472
CAPITAL OUTLAY	135,131	0	270	148,500
INVENTORIES	16,063,535	15,616,448	16,150,720	15,415,305
TRANSFERS	680,047	1,117,211	1,098,126	877,551
TOTAL EXPENDITURES	\$26,351,890	\$27,490,032	\$26,991,275	\$27,866,087
 AUTHORIZED POSITIONS	 220	 219	 219	 219
FULL-TIME EQUIVALENTS	220.00	219.00	219.00	219.00

PURCHASING & GENERAL SERVICES

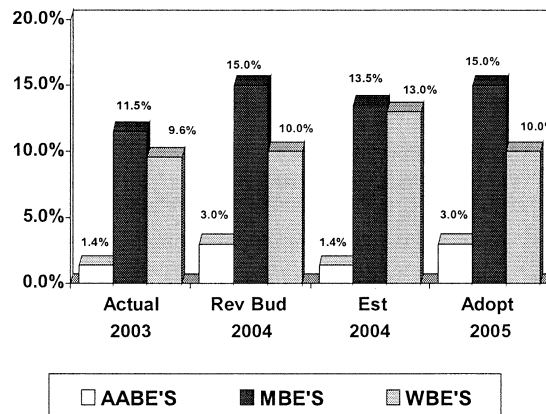
PURCHASING & GENERAL SERVICES FUND

AVERAGE COST OF CAR/ LIGHT TRUCK OIL CHANGE



- ✓ Calculation of the cost of an oil change includes labor, oil and oil filter.
- ✓ The City's average is still below the market cost, currently estimated at \$25.66.

PERCENTAGE OF TOTAL DOLLARS AWARDED TO AABE'S, MBE'S AND WBE'S



- ✓ AABE's represent African American Business Enterprises
- ✓ MBE's represent Minority Business Enterprises
- ✓ WBE's represent Women Business Enterprises